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SUBJECT: DEMOCRACY PROMOTION STRATEGY - DOMINICAN REPUBLIC

REF: STATE 169581

[11](#). (SBU) Embassy Santo Domingo's response on our democracy promotion strategy for the Dominican Republic is keyed to lettered sub-ticks in para 6 reftel:

[1A](#). Most important outcomes of the Democracy and Governance reform agenda for the Dominican Republic

- 1) Government develops, approves and implements legislation, norms and procedures to control corruption.
- 2) Government advances implementation of the new accusatorial criminal justice process affording increased protection of human rights, criminal justice service delivery, and better control of criminality.
- 3) Government conducts free, fair, and participative congressional and municipal elections in May, 2006 with low incidence of political tension and violence, maximum transparency through the campaign, voting, vote count and transition processes, laying the groundwork for improved accountability to citizens.
- 4) Government and other participants advance an agenda to improve transparency and accountability by creating a civil service career system, by instituting measures to regulate government procurement already agreed in principle in the CAFTA-DR agreement and by regularizing political party finance.

[1B](#). Six-month USG Diplomacy and programming strategy to achieve desired outcomes

1) Control of Corruption:

- - The USG will emphasize diplomacy and policy dialogue, because President Fernandez's declarations of intention to counter corruption have met resistance from self-interested officials and politicians involved in the long established customs of influence-dealing, bribery and malfeasance. Reinforcing the political will of the President and senior officials will be critical for strengthening governance, full implementation of CAFTA and the IMF stand-by agreement, as well as opening the possibility of accessing assistance through the Millennium Challenge Account.
- - We will direct our private diplomatic efforts to the President and relevant cabinet members, to the Presiding Justice of the Supreme Court and senior justices, and to the congressional leadership.
- - The Ambassador and embassy officials will advocate the passage of laws, decrees and administrative actions to regularize public procurements, national budgeting and public debt management, as well as timely implementation of these measures and vigilant oversight of compliance.
- - The Embassy will program assistance through USAID for the President's National Anti-Corruption Plan in the form programming of training, and technical assistance programs for executive, legislative and judicial branch institutions. Themes and concerns include implementation of measures for transparent government procurement, implementation of newly passed legislation on freedom of information, and compliance by elected and appointed officials with existing requirements to declare assets.
- The Ambassador and embassy officers will continue to emphasize the need to implement as quickly as possible the controls and ceilings on government procurement agreed to in the CAFTA-DR free trade agreement.
- - The Ambassador and USG officials will advocate the establishment of transparency report cards, offices of professional responsibility and fraud detection, measures to encourage whistle-blowing, and means for citizens to detect and denounce fraud and malfeasance. USAID will provide technical assistance for these initiatives.
- - The Embassy will continue to provide the military with training and assistance on ethics, corruption detection and prevention mechanisms, and application of sanctions. MAAG has a week-long training conference scheduled for November [12](#)2005.
- - Through USAID the Embassy will continue to provide the judiciary with programs of technical assistance and training in ethics and professional practice. The justice system is a main venue for corruption, as well as a key bottleneck in sanctioning of corrupt behavior. Assistance for all justice sector actors will be targeted at minimizing discretion and implementing good management systems and internal controls,

as well as providing techniques for effective investigation and prosecution of corruption and complex financial crimes.

- - Embassy will advocate Dominican compliance with IMF requirement to pass legislation criminalizing tax evasion and will continue to support U.S. Treasury evaluation of need for assistance to tax authorities.
- - The Narcotics Assistance Section will continue training support for the National Police, to include elements for strengthening internal affairs investigations.
- - Through Public Affairs the Embassy will program speakers, international visitor program participants, digital video conferences, media placement and electronic outreach to address this issue.

2) Better Administration of Accusatorial Criminal Justice System:

- - In private diplomatic contacts the Ambassador and embassy officers will encourage continuing independence of the judiciary and the prosecutorial function, will emphasize the recurring scandal of impunity, and will support the Attorney General's initiative of implementing a career system for prosecutors.
- - Through USAID the Embassy will provide continuing assistance for training and technical assistance to the judiciary and to the corps of public prosecutors. This is aimed at improving techniques used for criminal investigations, reinforcing cooperation between police and prosecutors, and moving cases more quickly through the system. The aim will be to assure fair adjudication of criminal cases, resulting in less impunity. At the same time the Embassy will advocate measures to assure citizens are protected from human rights abuses and generalized criminality.
- - Through the Narcotics Assistance Section the Embassy will provide basic training and orientation to the Police Academy, aimed at instilling methods and procedures to safeguard citizen rights and to reduce arbitrary or discretionary enforcement involving demands for bribery. NAS training through a U.S.-funded police advisor will be coordinated so as to complement the academic training proposed by the John Jay College of Criminal Justice.
- - The Embassy will continue to work closely with Justice Ministry officials to obtain extraditions of fugitives currently in the Dominican Republic and will emphasize U.S. interest in reciprocity by counseling those officials as required on procedural and legal requirements for Dominican requests for extraditions from the United States.

3) Free, fair and transparent elections with improved accountability to citizens:

- - Working with other governments in preparation for the May, 2006 congressional and municipal elections, the Ambassador and embassy officers will emphasize the theme used in 2004: "Elections must be free, fair and transparent."
- - Embassy officers will engage the judges of the Central Electoral Board with a view to encouraging better preparation for the May, 2006 elections. USAID will continue to support local non-governmental organizations evaluating the Board's ability to register citizenship and to issue the national identity cards required for voting, and will advocate reform. An overhaul of the civil registry is needed as approximately 20 percent of Dominicans are without basic identification cards and therefore not able to register to vote. However, progress on the civil registry is not expected before May 2006.

- - Embassy officers will remain alert to proposals to modify the electoral rules, engaging as appropriate the leadership of each major political party and leaders in congress.
- - The Ambassador and Deputy Chief of Mission will engage appropriate decision makers if issues are identified that threaten the transparency and competitiveness of elections.
- - The Embassy will seek to persuade the Dominican authorities to make a request to the Organization of American States for observation of the campaign, vote, and vote count by international observers trained, certified and supported by the OAS. USAID will provide development assistance funding for this purpose and the Embassy will request an additional \$200,000 in ESF for the international observation effort.
- - The USG should arrange to deliver an overview message on democracy in the Caribbean early in the congressional election campaign -- one possible date would be just before the February 27 national holiday commemorating the establishment of the Dominican Republic in 1844.
- - Through USAID the Embassy will continue to provide support and training through the non-governmental organization Participacion Ciudadana in order to field Dominican observers across the country.
- - Through USAID the Embassy will support initiatives by civil-society non-governmental organizations aimed at developing and implementing accountability mechanisms at the national and municipal levels of government, such as public declaration of congressional voting patterns and the outcomes of committee deliberations.
- - Through USAID the Embassy will provide support for awareness raising activities within political parties. These will help increase efficiency, transparency, and accountability to citizens, especially to the poor majority.

- - Through USAID the Embassy will provide limited technical assistance and training for elections administration.
- - Through Public Affairs the Embassy will program speakers, digital video conferences, media placement and electronic outreach to address this issue.

4) Civil Service Career Tracks and Political Party Finances:

- - The Ambassador and embassy officers will encourage passage and implementation of laws to establish a civil career system and to regularize political party finance. These are essential elements for good governance, stewardship of public resources and control of corruption, clientelism and state-capture concerns in the Dominican Republic.

- - Through USAID the Embassy will provide support for civil society non-governmental organizations advocating these issues. The reality is that little progress is likely before May 2006, as the attention of members of Congress is turning to re-election campaigns.

1C. Resources needed to implement strategy

- - Embassy requests that Department seek to program an additional USD 200,000 in ESF to complement the USD 250,000 in ESF already allocated through USAID to providing international observers for the May, 2006 congressional and municipal elections.

- - Embassy requests the visit of a senior Department official in mid- to late February 2006 to deliver a speech on the theme of democracy in the Caribbean.

- - Embassy requests that the Department and other Washington agencies arrange for the availability of senior USG officials to address these issues on the record in digital video conferences or telephone interviews. Embassy asks for one such event monthly in the first quarter of calendar year 2006, to deal with anti-corruption, democracy and the law, and trafficking in persons.

- - Embassy requests an expansion of the number of International Visitor Program slots from 9 to 15, with the six new slots to be used to sponsor a tailored group program for promising young leaders from the three major political parties.

- - Embassy requests that INL return funding of Narcotics Assistance Section activities to levels of previous years.

- - USAID will operate on its currently programmed funding and will request an increase of USD 1.3 million for programs of democracy promotion for the period FY07 - FY10.

1D. Major impediments to accomplishing the outcomes:

- - The country's deep-rooted authoritarian heritage and lack of social investment have left many Dominicans unable to appreciate the basic functions of government or to distinguish between the roles of government and political parties. This has resulted in lack of understanding, tolerance of arbitrary or corrupt governance or indifference among Dominican citizens.
- - Many law makers and public officials lack a commitment to public service. They consider their offices as transitory sources of personal gain and influence. This is due in part to the lack of a public sector career system.
- - Despite formal commitments in the CAFTA-DR agreement and in the IMF standby program, the government and Congress have more work ahead to change the lack of transparency, the ineffective oversight and the absence of internal controls that allow for considerable discretion in decision-making.
- - The inability to date of prosecutors and courts to convict and sanction major fraud and corruption prompts officials at all levels to consider malfeasance a high-gain, low-risk strategy. The probability of detection or effective sanction is low.
- - Political and economic elites and criminal elements frequently manipulate public institutions to suit their interests, given the fact that individuals staffing those institutions identify very little with the mission of the institution or the ideal of public service.
- - Ineffective, often corrupt government institutions with inadequate resources, poor management systems and ill-prepared staff fail to provide basic public goods and services and therefore lack credibility in the eyes of citizens.
- - The recent economic downturn further increased disparities in economic opportunity, distribution of income, and wealth. Lower income groups have lost purchasing power and have accordingly less of a stake in civil society.
- - Crime, drug use and violence have increased, especially in the poorer neighborhood. The public perceives that drug traffickers have increased influence.

1E. Other countries, organizations, actors with significant influence on democracy outcomes

Positive influences:

International donors, including United Nations organizations, the Organization of American States, the World Bank, the International Monetary Fund, the Inter-American Development Bank, the European Union and many embassies and bi-lateral donors. The international community is aligned in its messages regarding the importance of strengthening governance and transparency in the Dominican Republic.

Negative influences:

(SBU) President Hugo Chavez of Venezuela is actively seeking to exert influence throughout the region through his Petrocaribe oil financing facility, and the Dominicans have gratefully accepted this offer, which lowers petroleum costs in real present-value terms for about a third of their imports by about 25 percent. Chavez and his government will probably periodically seek political quid-pro-quos in international fora. The Venezuelans probably do not represent a direct threat to Dominican democracy, given their relatively limited ties to Dominican political parties and the absence at the national level of any credible radical populist groups. Even so, Chavez himself presents a model for the rise of a charismatic ideologue in the face of discredited political parties. That example is motivating at least one retired Dominican security officer to contemplate a presidential bid for 2008. It is important for the USG to expose the flaws in the Venezuelan approach to democracy and to articulate the rationale for a vigorous adversarial political system with respect by all for the rules and for responsible conduct of government and political party internal affairs.

(SBU) Fidel Castro of Cuba is regarded with warmth and nostalgia by many of the older members of the ruling PLD, but the Cuban economic and political models have no credibility in the Dominican Republic. The government accepts Cuba's offers of social and medical assistance but views these as non-threatening. The Dominican Republic abstained on the 2005 Cuba resolution at the UN Human Rights Commission, a decision that is unlikely to change in 2006.

F. Government policies and activities

Pro-Democracy:

- - The Dominican Republic has made progress on consolidation of democratic institutions, economic growth, and development of a growing network of credible civil society organizations and media that offer channels to air grievances.
- - The transparent selection of Supreme Court Justices begun in 1997 has proven to be a significant step. At the highest levels the judiciary has demonstrated independence of the executive and the political parties.
- - Regular free and fair elections since 1996 have featured increasing voter participation, low levels of conflict and strengthening of electoral oversight both domestically and internationally. These have helped move the country away from the highly coercive state that dominated the country only 10 years ago. Direct election of mayors and members of congress has established the foundation for increased accountability of elected officials.
- - The Fernandez government's support for the CAFTA-DR free trade agreement, its compliance with the IMF stand-by agreement and its advocacy of governance reforms are elements which support the achievement of outcomes specified in section A.

Counter to Democracy:

- - Persistent under-funding of primary education renders many citizens unable to understand democratic procedures or participate effectively in democracy. In 2001 82% of rural adults had not completed primary school and the quality of public education is so poor that most 4th grade graduates cannot read or write. Although the Fernandez administration professes its attachment to improving education, the administration has used the financial crisis and necessary government austerity as a pretext for not increasing investment in basic education.
- - Political parties seeking patronage have persistently failed when in office to implement key reforms. The principal example is the civil service law passed in 1990 but not implemented.
- - The administration and Congress have failed to elaborate adequate policies related to public procurement, national budget transparency, management of public debt, career laws for electoral board members and staff, political party finance, or prevention, detection and sanction for administrative corruption.
- - The electricity sector remains handicapped by

mismanagement. This includes inadequately negotiated contractual commitments, a poorly implemented privatization process, disregard for the contractual rights of generating firms, mistaken subsidy policies, and the lack of effective sanctions for users who fail to pay. The results are extremely high electricity tariffs, ongoing shortages, widespread sporadic blackouts and frustration of the citizenry.

- - Officials in many key regulatory institutions are free to exercise political clientelism and patronage, resulting in non-transparent decision-making that hinders development. These include, among others, regulators of banking, securities markets, insurance and pensions, the Controller General of the government, the customs authority and the environment ministry.

1H. Consequences of pursuing a proactive reform agenda:

- - There are significant benefits for the United States to encouraging a proactive reform agenda in the Dominican Republic. Good governance and democratic consolidation in the Dominican Republic encourage political and economic stability. These are important to U.S. national interest due to the country's proximity to our territory, the strong flows to the United States of legal and illegal migrants, and the threat to the U.S. population posed by narcotics and criminal elements in the Dominican Republic or transiting there.

- - A vigorous democracy in the Dominican Republic will provide a counterweight to authoritarian, non-democratic, or failed regimes such as Cuba, Venezuela and Haiti.

- - Economic recovery is underway in the Dominican Republic, in large part thanks to the IMF standby program and to the promise of the CAFTA-DR free trade agreement. Economic improvement will complement and reinforce the move toward democracy, particularly as government revenues become available for increased investment in public goods such as education and infrastructure.

- - Dominican success in countering corruption and enforcing laws would be a key factor in obtaining eligibility for U.S. assistance through the Millennium Challenge Corporation. MCC funding would open a large number of possibilities for improvements in infrastructure and provision of social goods basic to support for a democratic state.

- - Improvements in governance and the assurance of stability in the Dominican Republic would directly affect the situation in neighboring Haiti. Trade, remittances, and cooperation between the two countries would help provide Haiti and the rapidly growing population of Haitian economic refugees with essential services and economic opportunities. Better conditions in the Dominican Republic would reduce the potential for outbreaks of violence related to the deep ethnic and cultural grievances between Dominicans and Haitians. The U.S. needs the Dominican Republic as a stable partner in the region

Given the current and historical ties to the United States, the influence of the American Embassy is unrivaled in Santo Domingo. The Dominican economy is closely linked to the U.S., with out-migration and remittances serving as safety values for conflict. (Santo Domingo is the second largest visa issuer in the world and remittances from the U.S. total well above \$US 2 billion, around 10% of GDP.) For these reasons, the USG has the ability to influence decision-making through diplomacy and development assistance at a level much higher than the actual resources would indicate.

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